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## PRESS RELEASE

### **Fortress Minerals receives new prospecting licences in Sabah; seeks to grow its commodities portfolio**

**SINGAPORE, 6 March 2023** – **Fortress Minerals Limited** (the “Company” or “Fortress Minerals” and together with its subsidiaries the “Group”), a high-grade iron ore concentrate producer and exporter from Malaysia, is pleased to announce the recent issuance of two new prospecting licences in East Malaysia by the Land and Surveys Department State of Sabah.

The prospecting licences were granted to subsidiaries of Fortress Minerals, 65%-owned Saga Mineral Sdn. Bhd. (“SMSB”) and 51%-owned Kencana Primary Sdn. Bhd. (“KPSB”) and covers prospecting in the concession areas of 40km<sup>2</sup> in Telupid, Sabah and 400km<sup>2</sup> in Tongod, Sabah. The prospecting licence granted to SMSB commences from 15 December 2022 to 14 December 2024 to prospect for the copper mineral whereas the prospecting licence granted to KPSB commences from 19 December 2022 to 18 December 2024 to prospect for nickel, copper and cobalt minerals.

The Telupid and Tongod areas of Sabah are known to be rich in mineral resources including copper, iron ore, nickel and cobalt. The Telupid concession area was first prospected in the 1950s by various companies. In the 1980s, detailed exploration work was conducted by the Joint Malaysian German Mineral Exploration Project in the vicinity of the concession area. In 1988, there were significant drilling activities which resulted in 3.6 million tonnes of copper resources being reported in an adjacent tenement. The Tongod concession area has historical occurrence of nickel, cobalt and iron ore and exhibits favourable geological conditions that are conducive for the mineralisation of such resources.

As part of the Group’s strategic growth efforts to invest prudently through the cycle and to enhance long-term shareholder value, the prospecting licences offer the opportunity to expand the Group’s commodities profile and diversify its revenue streams.

Dato’ Sri Ivan Chee, Executive Director and Chief Executive Officer of Fortress Minerals, commented, *“It is our mission to explore new opportunities that will bolster our sustainable growth and create long-term value for our shareholders. In addition to our strong iron ore producing assets at the Bukit Besi and Mengapur mines, the exploration of new geographies and minerals provides the potential to diversify our revenue streams and bolster sustainable growth for the long term.*

*We look forward to updating shareholders on the developments as we continue our journey of becoming a leading mining group in the region.”*

The exploration activities are expected to commence in April 2023 and comprise surface geological mapping with geochemical survey, pulse electromagnetic survey, magnetic surveys and other ground geophysical surveys to better define the targets for drilling campaigns. Total estimated commitment of the exploration activities for both projects is approximately RM30 million (US\$6.8 million)<sup>(1)</sup> over the two-year period, which is expected to be funded by a combination of internal and external sources.

The estimated commitment is not expected to have any material impact on the net asset value per share and earnings per share of the Group for the financial year ending 29 February 2024.

<sup>(1)</sup> Based on exchange rate of USD/RM 4.4783 as at 3 March 2023.

At the same time, the Group is building up its production capabilities at the Cermat Aman Sdn Bhd (“CASB”) mine, which commenced production in July 2022. The Group is looking to add new integrated processing plants which will enhance production capability at the CASB mine and enable the Group to produce high grade iron ore, copper and pyrrhotite concentrate previously documented in the CASB’s mine’s Mineral Resource Estimate as at 28 February 2022.

In the event the production of new minerals would result in a significant change to the risk profile of the Group, the Company will seek the separate approval of its shareholders at an extraordinary general meeting to be convened at such time, prior to commencing such operations.

The Group will continue to update shareholders as and when there are material developments.

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*This press release has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*The contact person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)*

#### **About Fortress Minerals Limited (SGX: OAJ)**

Fortress Minerals Limited (the “Company”) and its subsidiary companies (the “Group”) is a high-grade iron ore concentrate producer based in Malaysia. The Group is principally in the business of exploration, mining, production and sale of iron ore.

The Group presently produces high grade iron ore mined from its Bukit Besi mine and Cermat Aman Sdn Bhd (the “CASB”) mine in Malaysia, and sells its iron ore primarily to steel mills in Malaysia and trading companies in the People’s Republic of China.

The Group had on 7 April 2021 completed the acquisition of the entire issued and paid-up capital of Fortress Mengapur Sdn Bhd and its subsidiaries (“Fortress Mengapur”), which comprises the entire tenements held by its subsidiaries, namely CASB and Star Destiny Sdn Bhd (the “SDSB”), which covers approximately 951.68 hectares, save for the free digging oxide magnetite iron materials contained in the topsoil at certain areas of Mining lease no. ML. 8/2011 in respect of the mining land (the “Third-Party Iron Ore Interests”). Following the completion of the acquisition of Fortress Mengapur, the Group’s total mining and exploration land area is approximately 1,477.88 hectares.

Fortress Mengapur’s tenements contains iron ore, copper, gold and silver Inferred Mineral Resource. At this juncture, the Group will focus on the magnetite mining potential. Material that contains other minerals, if encountered during mining, will be stockpiled for future processing. In the event that the Group decides to venture into production of minerals other than magnetite, which would result in a significant change in the risk profile of the Group at that time, the Company will seek the separate approval of its Shareholders at an extraordinary general meeting to be convened at such time, prior to commencing such operations.

For more information, please visit: <https://fortress.sg/>

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